United Nations E/CN.5/2012/NGO/12

Economic and Social Council

Distr.: General
17 November 2011

Original: English

Commission for Social Development
Fiftieth session
1-10 February 2012
Item 3 (a) of the provisional agenda*
Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly: priority theme: poverty eradication

Statement submitted by New Humanity, a non-governmental organization in consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* E/CN.5/2012/1.

11-59819 (E) 071211

Please recycle

Statement

Economy of Communion

The year 2011 marks the twentieth anniversary of New Humanity's Economy of Communion in Freedom project, an international economic and social movement launched in May 1991 in Sao Paulo, Brazil, by Chiara Lubich, founder of the Focolare Movement and New Humanity. Involving citizens, workers, scholars, students, organizations and people in need, its purpose is to contribute to the alleviation of poverty through resource- and need-sharing and the encouragement of self-sustainability, so as to build a more just and humane market economy and society in which "no one is in need". Developed as a means of eradicating poverty since its inception, the Economy of Communion has matured and spread throughout the world, achieving tangible results during these last two decades that are worth noting:

- The development of the largest socially responsible network of productive enterprises in the world that are collectively willing to use their profits to rescue people in need from their condition, to strengthen their business to create jobs and for the spreading of a "culture of giving". The network includes nearly 800 small to medium-sized for-profit and not-for-profit businesses, cooperatives and associations in over 50 countries present on all continents.

- A private financial resource-sharing that has supported, in Africa, Asia, Latin America and East Europe, on the average each year thousands of families with food, shelter, medical assistance, educational initiatives, job training and work opportunities.

- The spreading of a new "culture of giving" by providing hundreds of presentations in international economic, business and development conferences and academic courses and seminars in many universities worldwide.

- An economic and social development model that has attracted the attention of over 300 research theses and dissertations completed by young people in 14 different languages in various academic settings.

- The founding and funding of the international Sofia University Institute, near Florence, Italy, that provides education to the culture of communion for young postgraduate people with an interest in economics, philosophy and theology.

Recently recognized by Pope Benedict XVI in his 2009 encyclical *Caritas in Veritate* as "a broad new composite reality embracing the private and public spheres, one which does not exclude profit, but instead considers it a means for achieving human and social ends", the Economy of Communion has entered a new visible phase in its dialogue with civil society and other development organizations in its efforts to eradicate poverty. As a contribution to this meeting, the Economy of Communion would like to provide a few comments on lessons learned on poverty eradication, a message from the twentieth anniversary Economy of Communion Assembly in Sao Paulo, from the youth involved in the movement, and a concrete proposal for providing global financial support for poverty-fighting initiatives.

Poverty eradication through fraternity

The Economy of Communion proposes that economies and businesses should adopt, along with the principles of liberty and equality, the principle of fraternity. In so doing, business and economic activity can contribute to the fulfilment of every human person, responding to our deep-seated desire for happiness and a sense of purpose.

The Economy of Communion also speaks of the difference between the negative, unchosen poverty that includes those living under extreme misery and deprivation, and that of a "chosen poverty" spoken about in the Christian Gospel that is practised by the Economy of Communion entrepreneur. The Economy of Communion has seen that when it brings these two types of poverty together to meet face-to-face, beautiful things are discovered. The entrepreneur comes to see that the need offered to him/her by the one in need is a real gift, and brings a perspective and meaning to work life. Those in need come to experience a new fraternity and a sense of belonging to a family where everyone gives and receives.

The Economy of Communion has also come to understand, during these last 20 years, that its main contribution to alleviating extreme poverty, and thus building an economy and world of communion, will not occur primarily by redistributing wealth from the "rich" to give to the "poor". Rather, its contribution will lie in creating new wealth while including in the process people in difficulty that are disadvantaged.

This necessitates the creation of an independent and sustainable funding source to supply people in difficulty with the resources required to fund their own start-ups. Talented entrepreneurs from the Economy of Communion share their talents and know-how by teaching new production processes, building supportive relationships and assisting in the development of productive capacity. This support leads to an increased sense of dignity and self-worth for the participants.

The Economy of Communion proposes two elements that sustain and strengthen relationships: communion and reciprocity between people; each one different and each one equal. There are no longer "poor people" or "rich people", but only people who have a gift to offer the others. The poverty of others also contains wealth and values that allow everyone to experience how important we all are to one another's happiness and fulfilment.

When those in trouble feel loved and respected, and are treated with dignity, they are then able to find the will to climb out of the plague of instability and get back on their journey. It is only then that the secondary tools of aid, funds, contracts and business relationships can be used towards personal and global development.

A concrete proposal: financial transaction taxes

The Economy of Communion strongly supports the implementation of financial transaction taxes on credit default swap contracts and currency transactions (the Tobin tax) as another means to fund extreme poverty eradication and global social programmes. According to recent assessments, credit default swap contracts likely account for as much as $50 trillion between financial institutions ($62 trillion in 2007, $26 trillion in 2010, according to the International Swaps and Derivatives Association 2010 mid-year market survey); more precise data are not

available because there is no international registry of such contracts or the requirement for reporting them to a government agency.

If credit default swap contracts were taxed equally as insurance instruments, the participating countries could obtain $250 billion, sufficient not only to eradicate poverty in the world, but also to reduce the impact on sovereign debt, which is often a cut in social spending in the debtor countries. This tax would reduce the incentive to wild speculation and provide a partial repayment to the damage it has caused to the countries. To prevent capital flight in countries that do not apply this tax, it would be enough to declare that credit default swap contracts are legally due only those who have registered in the international register after paying the fee. Such a register would also provide elements for the assessment of non-budgeted costs that weigh on each financial institution.

Implementation of the Tobin foreign currency exchange tax would also discourage short-term investor speculation and support international currency stability. Portions of these taxes could then be invested in social programmes encouraging extreme poverty relief as well as economic development incentives in developing countries.

Sao Paulo Declaration of the Youth

May the 2031 economy be one of communion

We, the youth of the Economy of Communion in Freedom, would like to share a message dedicated to all those who believe in, desire, and commit themselves to building a more just and solidarity-based economy.

The Economy of Communion proposes that economies and businesses should adopt, along with the principles of liberty and equality, the principle of fraternity. In so doing, business and economic activity can contribute to the fulfilment of every human person, responding to our deep-seated desire for happiness and a sense of purpose.

We believe

We youth believe that it is possible to build an economy based on the principle of fraternity. Such an economy can be called one of "communion" and is possible for at least four reasons:

First, we already see a fraternal economy in the daily choice to live a communion of material goods by millions of people who share the Focolare Movement's spirituality of unity and proposed culture of giving.

Secondly, we see that a fraternal economy serves as the foundation for 800 Economy of Communion businesses, which despite daily difficulties and challenges, remain faithful to the Economy of Communion's values. These businesses allocate profits for brothers and sisters in need, create jobs, spread through example and education a culture of giving and infuse their management decisions with the Economy of Communion's relationship-based approach to dealings with clients, workers, suppliers, and society at large.

Thirdly, we can see a trend towards efforts to live fraternity in various social, civil, and solidarity-based economies around the world — a movement that is

growing and expresses in many languages that another post-capitalistic alternative to the market economy is possible.

Finally, an economy of communion is possible because we believe that every person on Earth has "inscribed in the depth of his or her being, whether believer or non-believer, the vocation to communion and love", as Chiara Lubich, the founder of the Economy of Communion, told us. Only an economy of this kind can fully satisfy our search for individual and societal happiness.

We ask

We, the youth of the Economy of Communion, representing thousands of young people of various cultures, religions, economic and social conditions, would like to ask for concrete changes to our current economic system. In recent years, economic development has been drugged with ethically questionable behaviour that has put our world economy at risk. The Western economic and financial system remains structurally fragile, and requires new rules able to bring it back to its precious function of serving the common good.

That is why we ask Governments and non-governmental organization groups gathered today to:

1. Involve civil society in the development of policies that value part-time workers, including those responsible for childcare and assistance to the elderly or disabled;

2. Discourage highly speculative financial transactions, encourage fiscal transparency and provide fair taxation of all such transactions (see recommended action below);

3. Reduce military spending to solely protect populations;

4. Abolish customs barriers for products from countries that respect labourers and the environment;

5. Support policies and infrastructure that encourage private businesses to act as citizens.

We conclude

We young people are aware of being the first generation in the history of humanity that faces the serious risk of having a future that is worse than that of our parents due to the deep wounds that have been inflicted on the environment over the last century. Moreover, a growing individualistic ideology is on the horizon of our post-modern era.

At the same time, we trust and are certain that Providence exists and is at work in our history, and that we too can have a better future. We believe that the Economy of Communion began 20 years ago to nourish humanity and to be a concrete answer that offers hope.

We young people believe that if our convictions, hopes and commitments are shared by many people on all continents, and if our everyday behaviour reflects these beliefs, the aspiration for an economy that is not only efficient and just, but also fraternal will not be a simple dream; it will become a reality.

We solemnly commit ourselves to this task, confident that many others will join us. We are convinced that communion is the most profound calling of every person, enterprise and community.

"*That all may be one*".

Twentieth anniversary of the Economy of Communion Assembly,
Sao Paulo, 29 May 2011